

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

SERGIO LOVATI, RUDI LOVATI,
ALESSANDRA SARAGO LOVATI, AND
ALESSANDRA LOVATI,

Plaintiffs,

v.

PETRÓLEOS DE VENEZUELA, S.A.,

Defendant.

Docket No.: 1:19-cv-04799-ALC

**ANSWER AND AFFIRMATIVE DEFENSES
OF DEFENDANT PETRÓLEOS DE VENEZUELA, S.A.**

Defendant Petróleos de Venezuela, S.A. (“PDVSA”), by its counsel, as and for its Answer and Affirmative Defenses to the Complaint (Dkt. No. 1) of plaintiffs Sergio Lovati, Rudi Lovati, Alessandra Sarago Lovati, and Alessandra Lovati (collectively, “Plaintiffs”) (the “Complaint”), states as follows:

**FOR A RESPONSE TO
“NATURE OF THE ACTION”**

1. Paragraph 1 of the Complaint contains a statement describing the nature of the action and does not contain any allegations against PDVSA and therefore, no response by PDVSA is required. To the extent a response is required, PDVSA denies the allegations contained in Paragraph 1 of the Complaint.

**FOR A RESPONSE TO
“THE PARTIES”**

2. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 2 of the Complaint.

3. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 3 of the Complaint.

4. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 4 of the Complaint.

5. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 5 of the Complaint.

6. PDVSA admits the allegations contained in Paragraph 6 of the Complaint.

**FOR A RESPONSE TO
“JURISDICTION AND VENUE”**

7. In response to the allegations contained in Paragraph 7 of the Complaint, PDVSA admits that “PDVSA is a foreign capital stock corporation[] owned directly by the Republic, which is a Foreign State”; admits that it waived the defense of sovereign immunity in the Indenture; and, as to the remaining allegations, which are legal conclusions, no response is required.

8. In response to the allegations contained in Paragraph 8 of the Complaint, PDVSA denies that “PDVSA regularly conducts business in New York”; admits that PDVSA consented in the Indenture to submit to the jurisdiction of this Court; and, as to the remaining allegations, which are legal conclusions, no response is required.

9. PDVSA admits the allegations contained in Paragraph 9 of the Complaint.

10. PDVSA admits the allegations contained in Paragraph 10 of the Complaint.

**FOR A RESPONSE TO
“FACTUAL ALLEGATIONS”**

“The Non-Payment on Sergio Lovati’s Notes by PDVSA”

11. In response to the allegations contained in Paragraph 11 of the Complaint, relating to Sergio Lovati’s Notes:

a. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations in the first sentence of Paragraph 11.a. of the Complaint and admits the remaining allegations contained in Paragraph 11.a. of Complaint.

b. PDVSA admits the allegations in the first sentence of Paragraph 11.b. of the Complaint and denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 11.b. of the Complaint.

c. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 11.c. of the Complaint.

“The Non-Payment on Rudi Lovati’s Notes by PDVSA”

12. In response to the allegations contained in Paragraph 12 of the Complaint, relating to Rudi Lovati’s Notes:

a. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations in the first sentence of Paragraph 12.a. of the Complaint and admits the remaining allegations contained in Paragraph 12.a. of Complaint.

b. PDVSA admits the allegations in the first sentence of Paragraph 12.b. of the Complaint and denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 12.b. of the Complaint.

c. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 12.c. of the Complaint.

“The Non-Payment on Alessandra Sarago Lovati’s Notes by PDVSA”

13. In response to the allegations contained in Paragraph 13 of the Complaint, relating to Alessandra Sarago Lovati’s Notes:

a. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations in the first sentence of Paragraph 13.a. of the Complaint and admits the remaining allegations contained in Paragraph 13.a. of Complaint.

b. PDVSA admits the allegations in the first sentence of Paragraph 13.b. of the Complaint and denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 13.b. of the Complaint.

c. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 13.c. of the Complaint.

“The Non-Payment on Alessandra Lovati’s Notes by PDVSA”

14. In response to the allegations contained in Paragraph 14 of the Complaint, relating to Alessandra Lovati’s Notes:

a. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations in the first sentence of Paragraph 14.a. of the Complaint and admits the remaining allegations contained in Paragraph 14.a. of Complaint.

b. PDVSA admits the allegations in the first sentence of Paragraph 14.b. of the Complaint and denies knowledge or information sufficient to form a belief as

to the truth of the remaining allegations contained in Paragraph 14.b. of the Complaint.

c. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 14.c. of the Complaint.

**FOR A RESPONSE TO THE
FIRST CLAIM FOR RELIEF**

(For Breach of Contract on the Sergio Lovati Notes)

15. In response to the allegations contained in Paragraph 15 of the Complaint, PDVSA repeats and incorporates as if fully set forth herein each and every response to the allegations contained in Paragraphs 1 through 14 of the Complaint.

16. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 16 of the Complaint.

17. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 17 of the Complaint.

18. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 18 of the Complaint.

19. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 19 of the Complaint.

20. PDVSA denies the allegations contained in Paragraph 20 of the Complaint.

**FOR A RESPONSE TO THE
SECOND CLAIM FOR RELIEF**

(For Breach of Contract on the Rudi Lovati Notes)

21. In response to the allegations contained in Paragraph 21 of the Complaint, PDVSA repeats and incorporates as if fully set forth herein each and every response to the allegations contained in Paragraphs 1 through 20 of the Complaint.

22. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 22 of the Complaint.

23. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 23 of the Complaint.

24. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 24 of the Complaint.

25. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 25 of the Complaint.

26. PDVSA denies the allegations contained in Paragraph 26 of the Complaint.

**FOR A RESPONSE TO THE
THIRD CLAIM FOR RELIEF**

(For Breach of Contract on the Alessandra Sarago Lovati Notes)

27. In response to the allegations contained in Paragraph 27 of the Complaint, PDVSA repeats and incorporates as if fully set forth herein each and every response to the allegations contained in Paragraphs 1 through 26 of the Complaint.

28. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 28 of the Complaint.

29. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 29 of the Complaint.

30. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 30 of the Complaint.

31. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 31 of the Complaint.

32. PDVSA denies the allegations contained in Paragraph 32 of the Complaint.

**FOR A RESPONSE TO THE
FOURTH CLAIM FOR RELIEF**

(For Breach of Contract on the Alessandra Lovati Notes)

33. In response to the allegations contained in Paragraph 33 of the Complaint, PDVSA repeats and incorporates as if fully set forth herein each and every response to the allegations contained in Paragraphs 1 through 32 of the Complaint.

34. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 34 of the Complaint.

35. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 35 of the Complaint.

36. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 36 of the Complaint.

37. PDVSA denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 37 of the Complaint.

38. PDVSA denies the allegations contained in Paragraph 38 of the Complaint.

**FOR A RESPONSE TO
PLAINTIFFS' PRAYER FOR RELIEF**

39. PDVSA denies that Plaintiffs are entitled to judgment in their favor, damages against PDVSA, their costs and attorneys' fees, and any other relief demanded by Plaintiffs in Paragraphs i. through v. following the "WHEREFORE" clause on page 10 of the Complaint.

GENERAL DENIAL

40. PDVSA denies any and all allegations not specified above.

AFFIRMATIVE DEFENSES

FOR A FIRST AFFIRMATIVE DEFENSE

41. Plaintiffs have not alleged any damages for which PDVSA is, or could be, legally responsible.

FOR A SECOND AFFIRMATIVE DEFENSE

42. PDVSA's alleged defaults are excused because circumstances outside of PDVSA's control made its performance impossible or objectively impracticable.

FOR A THIRD AFFIRMATIVE DEFENSE

43. Plaintiffs have failed to satisfy the requisite conditions precedent to bringing suit.

FOR A FOURTH AFFIRMATIVE DEFENSE

44. Plaintiffs' claims and causes of action are barred, in whole or in part, by the terms and conditions of the governing Indenture and Notes.

FOR A FIFTH AFFIRMATIVE DEFENSE

45. Plaintiffs' claims and causes of action are barred, in whole or in part, by the doctrines of payment, release, waiver, and ratification.

FOR A SIXTH AFFIRMATIVE DEFENSE

46. Plaintiffs' claims and causes of action are barred because Plaintiffs lack standing to assert such claims and causes of action.

47. Plaintiffs are barred from asserting the claims and causes of action herein because they are not Holders of the Notes.

WHEREFORE, PDVSA respectfully requests that the Complaint and each and every cause of action asserted therein be dismissed against PDVSA, with prejudice and that the Court grant such other and further relief as the Court deems just and proper.

Dated: October 23, 2020

HOGAN LOVELLS US LLP

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